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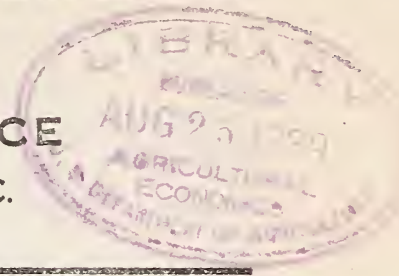
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Marketing Activities

ISSUED MONTHLY BY

AGRICULTURAL MARKETING SERVICE

U. S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.



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BEEF NOW GRADED

ON REVISED STANDARDS

U S DEPT OF AGRICULTURE

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4-K WASHINGTON D C

. W. O. Fraser

Beef is now being graded and stamped in accordance with the new standards which became effective July 16. The official standards, as recently revised, are intended primarily for use by consumers in buying beef on the basis of its quality or grade.

Beef produced from steers, heifers, and cows is now being graded on a single standard - on the basis of factors that determine value to the consumer. All of the beef to which any grade name is applied is now essentially comparable, and consumer selection can be made on the basis of grade name alone.

The revised standards are the result of more than a year's work on the part of a Committee composed of representatives of the beef industry and the Agricultural Marketing Service. Their development dates back to early in 1938 when a committee of cattle producers met with representatives of the Service (then a part of the Bureau of Agricultural Economics) and urged the adoption of unified standards. The producers considered it essential that the standards be readily understandable by consumers and that they be based primarily on quality factors indicative of palatability.

Interest of producers in the development of a unified standard was occasioned by the fact that for a number of years beef had been graded in accordance with two rather widely recognized systems. One of these systems of grading, known as the "Institute System" was developed after the adoption of the U. S. standards. It was designed to provide a narrower range of quality within each grade than was provided by the official U. S. grades, and was intended primarily for wholesale use. The principal difference between the two systems was that the official U. S. standards provided for 7 grades and the Institute standards for 10 grades.

Beef was graded rather extensively in accordance with both systems. In addition a number of wholesalers identified their beef by private brands based either on the Institute grades or modifications of those grades. As a result, so many different grade names were stamped on beef that it was impracticable for consumers on whose use the effectiveness of a grading system depends, to familiarize themselves with more than a small percentage of the grade names or the relative position of each in the grade scale. It was to remedy this complex situation

that producers recommended the adoption of standard grades and a common, readily understandable grade terminology. It was believed that such standards would inspire confidence on the part of consumers in purchasing beef and in turn be reflected in an improved demand for beef and higher prices for cattle.

Tentative grade standards were developed and discussed at a conference attended by representatives of producer organizations, livestock marketing agencies, packers, retailers, and consumers in November 1938. Further revisions were made, and these standards were distributed to those in the livestock and meat industry interested in standardization and grading of beef. The proposed standards were also published in trade journals. Criticisms, comments, and suggestions were solicited. The standards were then further revised and issued as the official standards.

The revised standards differ from the former standards primarily in that beef produced from steers, heifers, and cows is graded on a single standard, on the basis of its characteristics as beef, instead of on separate standards for each class of beef. Beef formerly graded as "Choice cow," for example, was not comparable with Choice steer, or Choice heifer beef. But on the revised standards such beef is graded as "Commercial beef" and in value to the consumer is comparable with steer and heifer beef of the same grade. Consumers, therefore, may familiarize themselves with the grade names only; they need not concern themselves with the characteristics of each class in order to intelligently purchase beef by grade.

In recognition of the importance of class as a wholesale factor, affecting cutting yields and consequently its significance in wholesale trading, provision is made for recording classes on wholesale grading certificates. It is also recognized that the range of wholesale prices within the grades which include the bulk of the beef sold as carcass beef -- Choice, Good, and Commercial -- may be so wide that further refinement is found desirable for wholesale trading. Provision was therefore made for the subdivision of these grades into half-grades. These half-grade designations may be recorded on grading certificates. When these half-grades are used in connection with class, or class and weight, the indicated values are sufficiently specific for wholesale trading. This further subdivision of grades makes a total of 10 wholesale grades. These correlate with the 10 grades for which provision is made in the Institute standards.

From the consumers' standpoint, only the information essential to them in the selection of beef on the basis of quality -- the grade name -- is to be stamped on the beef.

(NOTE: At a conference held in Chicago July 20 the new standards were explained and demonstrated to packers from several midwestern states. Rollers used for identifying beef by grade have been remodeled in accordance with the changes. Mr. Fraser is in charge of livestock and meat standardization activities of the Agricultural Marketing Service.)

PARKER AND SHERMAN DIE;
PIONEERS IN MARKETING WORK

E. C. Parker, in charge of the Grain Division of the Agricultural Marketing Service died July 21 following several weeks of illness. Wells A. Sherman, in charge of the Fruit and Vegetable Division of the Bureau of Agricultural Economics prior to his retirement on July 31, 1938, died August 3 after a brief illness. Both were pioneers in the fields of marketing research and service and well known in agricultural circles.

Mr. Parker, a native of Minnesota, was graduated from the University of Minnesota in 1905. He was with the Minnesota Agricultural Experiment Station from 1905 to 1908 during which period he was collaborator in the old Bureau of Statistics of the U. S. Department of Agriculture. From 1908 to 1912 he was agricultural advisor to the Government of Manchuria, and from 1912 to 1923 he was engaged in irrigation developments and colonization, and in grain and livestock enterprises. During the next 10 years he served as marketing specialist in hay with the Department, and was named in charge of the Grain Division of the Bureau of Agricultural Economics in 1933.

Mr. Sherman, a native of Virginia, had devoted nearly 43 years to Federal service at the time of his retirement in 1938. When the Office of Markets and Rural Organization was created in 1913 he affiliated with that organization. Among his other activities Mr. Sherman was in charge of the experimental work which led to establishing the market news service on farm products in 1915. In 1920 the Division of Fruits and Vegetables was established under his direction. At the time of his retirement in 1938 his Division covered the entire field of marketing fruits and vegetables, including market news, inspection, standardization, research and enforcement of the Produce Agency Act of 1927, the Standard Container Acts of 1916 and 1928, the Perishable Agricultural Commodities Act of 1930, and the Export Apple and Pear Act of 1933. Each of these regulatory acts had been administered since its beginning under Mr. Sherman's direction.

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IOWA RECOMMENDS PUSHING
EARLY PIGS BY FULL-FEEDING

The Iowa State Extension Service points out that Iowa farmers who have pigs they can get ready for market not later than October 1 probably will be wise to push their pigs so as to be sure to get them in by that time. The Iowa economists see the possibility of prices sagging for a while when the real early pigs are going to market, and then strengthening later just before the large expected drop when the later pigs begin coming to market. They suggest to Iowa farmers that they watch the market, especially the receipts, and send pigs to market or hold a little while longer according to the way receipts and prices are going. They say, "With a large pig crop, prices are expected to tumble considerably some time this fall."

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SUGGEST WAYS FOR REDUCING LOSS IN LIVESTOCK SHIPMENTS

Prevention of in-transit losses in livestock shipments and ways for reducing these losses are receiving the attention of State Experiment Station and Extension Service workers.

The Minnesota Experiment Station recommends that livestock be fed only moderately before shipment. "In loading livestock", it says, "use a well-cleated, gently inclined chute located on high, well-drained ground. Back the truck squarely against it. Use sand or fine gravel on the car or truck floor to insure good footing. Use straw bedding for all livestock and at all times except for hogs during the summer months."

Among other suggestions from Minnesota are the following: "Do not overload or underload. Have double decks high enough to permit animals in the lower deck to stand in a natural position. Always use a cleated chute when unloading hogs, calves, sheep and lambs from the top deck -- do not permit them to jump or drop. Use partitions to separate small from large animals. Tie all bulls."

While enroute to market, livestock should be protected against extreme heat or cold with covering and ventilation. During hot weather, hogs should be showered with water while enroute on long trips. Truckers are advised to avoid sudden stops and to slow down on sharp curves to prevent animals from piling up. All livestock should be inspected frequently while enroute to market.

The Minnesota Station advises all persons working with livestock to avoid rough handling, to use slappers rather than clubs, or whips, and to handle sheep so they will not be lifted by the wool.

Cattle Losses Average \$12 Per Carload

The Louisiana State Extension Service reports that bruising of cattle in shipments consigned to slaughter houses causes an average loss of \$12 per carload. The extension specialists point out that these losses are ultimately paid by farmers as packing plants consider them in the prices they pay. In commenting upon in-transit losses they say:

"Most of these bruises can be prevented by careful handling and hauling. Chutes and pens should be constructed with rounded corners, with no sharp projections, and with footings such as to minimize the possibility of cattle slipping. Overloading and crowding in cars and trucks are major causes of bruised cattle."

Among the specialists' recommendations are, "Do not treat cattle roughly", "Outlaw whips, except for making noise", and "Do not strike and prod cattle with sticks and clubs". A bruise caused by a stick may not show on the live animals but it will show up when the hide is removed. In all modern killing plants these bruises are removed thus spoiling many carcasses for any purpose except boning.

COTTON AREAS SHOW INTEREST
IN HANDLING AND GINNING

. By Dr. R. W. Webb

State and Federal extension workers report increasing interest among both trade organizations and farmers in careful handling and ginning of seed cotton as a means of turning out lint of smooth preparation and relatively high market value.

The State Extension Services in at least two States have prepared and distributed gin posters which call the attention of both farmers and ginners to the advantages of careful picking and farm handling of seed cotton and of good ginning. These posters carry photographic reproductions of a sample ginned in dry and good condition and showing smooth preparation, and of a sample ginned in green and damp condition and showing rough preparation.

The Agricultural Marketing Service is cooperating with these various agencies by calling attention to the fact that cotton growers can lose as much as \$1 to \$5 a bale, or even more, if their cotton is picked and ginned green or damp, the result of which is poor preparation, poor cleaning, and low gin turn-out. Cotton buyers and mills penalize cotton that is of poor preparation and which would reduce its value one or more grades. In dollars and cents the penalty varies, upon the basis of prices current at the opening of the 1939 ginning season and according to the degree of poor preparation, from \$1 to \$7 per bale. Gin cut cotton, that is reduced more than two grades, is discounted even more severely.

Farmers-Ginners Share Responsibility

The Department emphasizes that the farmer's responsibility for quality in the ginned lint includes picking his cotton clean and dry and delivering it to the ginner in such condition that he can do a good ginning job.

To the ginner, the Department's cotton marketing specialists say, "You may lower the value of your customer's cotton as much as \$1 to \$5 per bale, or even more, if your gin equipment is not up-to-the-minute, in good repair, and operated efficiently." They indicate that it is the responsibility of the ginner to gin his customer's cotton so as to preserve the quality that has been put into it by using selected seed and by care in picking and handling the seed cotton.

Good seed is pointed to as a means of improving staple length. Prompt and careful harvesting and good ginning are listed as essentials in preserving the grade and market value of lint cotton -- the product of a full crop year's work on the farm. Both farmers and ginners are advised to sell cotton by grade and staple rather than on the average or "hog round" basis.

These recommendations are based upon extensive ginning tests at the Department's experimental ginning plant at Stoneville, Mississippi,

and market comparisons of the cotton turned out in these tests. The cottons used in the work at Stoneville include seed cotton obtained in each of the various producing areas and cover the entire range of grades and staple lengths.

Georgia Interests Have Organized

In June, Georgia extension workers and representatives of both trade and farmer organizations joined in what has been designated as the "Georgia State-Wide Program for Better-Ginned Cotton". The purpose of the program and the State-Wide Committee behind it is to encourage preservation of lint quality, better marketing practices, and general cotton quality improvement. The program in Georgia and efforts in other States are intended to acquaint growers and ginnerers with the advantages of turning out the best possible preparation of the lint they produce and handle.

(Editor's Note: Dr. Webb is in charge of cotton quality and standardization research in the Agricultural Marketing Service. The ginning investigations at the Stoneville, Mississippi, laboratories are conducted jointly by the Bureau of Agricultural Chemistry and Engineering and the Agricultural Marketing Service.)

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MONTH BRINGS TRUCKS FROM 106 GEORGIA COUNTIES TO ATLANTA

To learn just what kinds of produce are handled in the State Farmers' Market at Atlanta the State Department of Agriculture kept a complete record of all trucks entering the market during the 30-day period from May 21 through June 19. This check showed that 3,157 trucks brought Georgia produce from 106 Georgia counties. Most of these trucks, constituting two-thirds of the total arriving during the period, were operated by farmers. An additional 2,537 trucks arrived, carrying produce from 31 States. Most of this "out-State" produce was found to be not directly competitive with Georgia-grown produce, and a large proportion of the out-of-State trucks bringing in loads took back loads of Southern-grown produce. Last year about 100,000 trucks traded at the Atlanta market and so far this year the volume of trading appears to be showing an increase over the same period in 1938. The State Department points to the 30-day period over which the check of arrivals and outgoing loads was made as "a normal time on the market."

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GENERAL ECONOMIC CONDITIONS affecting the consumer demand for farm products are reported by the Bureau of Agricultural Economics to have improved somewhat during May and June. Industrial production is reported to have recovered sharply from the low reached in April and early May, and some additional improvement during the remainder of the year is indicated by conditions in the important industries. The outlook continues, however, to favor relatively stable domestic demand conditions during 1939.

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MORE FARMERS ARE ASKING FOR HELP IN MARKETING PROBLEMS

Reports from more than 3,000 extension workers indicate that more farmers are carrying their requests for information and assistance in solving marketing problems to their county agents. During the past year, these seekers after information on marketing numbered approximately 1,200,000 -- more than double the number of farmers asking help with marketing problems as recently as 1932.

Most of those assisted were members of cooperative selling or purchasing organizations. Records of county agents show that some form of assistance with marketing problems was given by extension agents in 18,500 communities. Individual farmers and organizations serviced handled products valued at more than \$640,000,000.

Among the types of marketing counsel most frequently requested by farmers was assistance in making best use of current market information, in locating markets, and in packaging and processing farm products. Organizations asked for similar services, and for assistance in accounting and methods of keeping their membership informed.

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TOBACCO INSPECTION ORDERED FOR GREENVILLE, N.C., MARKET

Orders issued by the Acting Secretary of Agriculture call for mandatory Federal inspection of tobacco offered for sale on the Greenville, N. C., market. Greenville, with annual sales ranging from 50 to 70 million pounds, is the second largest market in the flue-cured area. Designation of the Greenville market for the inspection and grade certification supplied by authority of the Tobacco Inspection Act of 1935 brings the number of designated markets to a total of 38. The inspection service will get under way when the Greenville market opens August 22. Federal inspection was inaugurated on three Georgia markets -- Adel, Nashville, and Douglas -- at the time sales opened on these markets, July 25. These markets were designated in late June.

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BELIEVE PAPER MILK BOTTLES ARE HERE TO STAY

Research workers at the New York State Agricultural Experiment Station report that tests of several types of paper containers for milk and milk products have convinced them that the paper milk bottle has come to stay. They report that the future use of the paper bottle will be governed largely by economic factors as the sanitary qualities of the single service container have been demonstrated to the satisfaction of most public health authorities. Within the 10 years in which extensive commercial use has been made of paper milk containers in Metropolitan New York, their use has spread to more than 250 cities throughout New England, the Middle West, the South, and West Coast areas. Their use is also reported in about 50 Canadian cities.

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RECORD 1938 MILK PRODUCTION
BROUGHT LESS THAN YEAR BEFORE

The Agricultural Marketing Service reports that farmers produced and marketed more milk and milk products in 1938 than in any other year for which records are available. As compared with 1937, however, the increased quantities produced and marketed were not sufficient to offset the lower prices received for dairy products. Farmers received less for their larger production in 1938 than for the smaller production recorded for 1937.

The quantity of milk skimmed on farms and marketed as cream is estimated as 33.6 billion pounds. This is an increase of 8 percent over the quantity so marketed in 1937. The quantity of milk sold at wholesale, including both market milk and milk sold for cheese, evaporated milk and other products, is estimated at 40.8 billion pounds. This is an increase of about 4 percent over 1937.

The value of milk produced on farms in 1938 is estimated at \$1,826,430,000. The value of all milk products sold from farms in 1938, including milk, cream, and farm butter, is estimated at \$1,398,246,000. This is about 9 percent less than in 1937. Of this total about \$705,000-000 or about 50 percent, represented returns from wholesale milk. Cream sold as butterfat accounted for \$337,000,000 and farm butter sales for \$25,000,000. The 1938 value of each of these individual dairy products was less than in 1937.

Returns per unit of milk utilized in all dairy products sold by farmers during 1938 averaged 13 percent less than the 1937 average. Reductions were most pronounced in the Central and Western regions where the milk and cream sold were utilized largely in the manufacture of dairy products. Lowest returns were reported for areas where most milk is marketed as sour cream for butter. Highest returns were reported for areas of small production relative to population. In these areas practically all of the milk sold is either retailed direct to consumers or sold for city consumption at relatively high prices.

Estimates of milk used on farms in 1938 show about the same total as in 1937. Estimates of values of milk sold and used on farms do not include allowance for skim milk and buttermilk produced on the farm as by-products of the sale of cream and the making of farm butter. These by-products are valued at approximately \$100,000,000 for 1938. Beef and veal produced by herds kept chiefly for milk production were worth an additional \$300,000,000 in 1938.

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CORRECTION: July issue of Marketing Activities, Page 5, paragraph 3, should read, "The need for such data is not restricted to local areas. Wholesale distribution of milk for city consumption totals about 25 billion pounds annually and accounts for about a fourth of all milk produced. In addition about 7 billion pounds are sold annually by farmers directly to consumers in small towns and rural areas."

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MARYLAND TOBACCO AUCTIONS

MAY HELP TO RECOVER TRADE

. By J. V. Morrow

Maryland tobacco auctions hold promise of helping to rebuild foreign markets for Maryland tobacco. Beginning on May 1, Maryland growers have been selling a part of their last year's tobacco crop at auction. And already numerous favorable comments have been received from foreign buyers. This is the last area in the South to accept the auction system of selling.

Foreign buyers for a number of years have complained of inaccurate sampling, mixed packing, and the frequent occasions when sticks, stones, and even large pieces of metal from farm machinery have been found in the Maryland hogsheads. These complaints, while perhaps not wholly justified, have been accompanied by a diminishing demand from foreign buyers. This is clearly indicated by exports of less than 5 million pounds of Maryland tobacco in 1938 compared with 18 million pounds in 1923, with a 1924-33 average of 12 million pounds, and with as much as 30 million pounds in the earlier years of the industry.

Under the hogshead system of selling - which in Maryland was followed exclusively prior to the opening of two loose leaf auctions this past spring - sales were made by sample. This old method of selling continued with practically no changes in the handling of Maryland tobacco either on the farm or on the markets for a century or more. Apparently foreign buyers were not well pleased with this lack of progress in handling and marketing.

Loose Leaf Sale Permits Display

Under the loose leaf system of auction selling, tobacco is sold in small lots in open baskets. Buyers can examine any portion or all of any lot. They are able to re-handle, sort and pack their purchases into uniform hogsheads. Both domestic and foreign buyers are thus assured of uniformly packed Maryland tobacco - and they receive this assurance at no increase in cost.

The new loose leaf auctions have presented the opportunity for stripping and sorting demonstrations. At the request of growers and auction operators these demonstrations have been given by representatives of the U. S. Department of Agriculture. The demonstrations in Southern Maryland counties have attracted the interest of growers as has the work of the Department representatives who have collected price information by grades on the Maryland markets. That the demonstrations have commanded the interest of growers is shown by marked improvement in the handling and sorting of tobacco offered on the auctions.

A mimeographed report, showing the average price and range in prices of representative grades of Maryland tobacco, is released semi-weekly from Washington and distributed to the Washington, Baltimore, and

Southern Maryland newspapers. Both the reporting service and the auctions have operated but a few months. Yet in this brief period, the improved handling and sorting they have effected are eliciting favorable comment from buyers.

Foreign Buyers Comment Favorably

The favorable comment has not been confined to buyers in attendance at the sales. Considerable comment has been received from abroad, both relative to the auctions and to the price information provided.

From the head of the leaf department of one of the large London manufacturers the Department has this quotation: "I believe Maryland tobacco will have a much better chance of improving its export favor if it is uniformly graded.....the auction system is, in my opinion, far ahead of the old method of handling." A large broker and dealer in Rotterdam comments, "The proposed auction sales will be a great help to recover the lost market of Maryland tobacco, principally caused by bad packing."

The prospects are encouraging, to say the least.

(Editor's Note: Maryland tobacco is cured through the winter and marketed the following spring and summer. This accounts for the comment that "Maryland growers are selling a part of their last year's tobacco crop at auction." Mr. Morrow is in charge of the tobacco market news reporting system of the Agricultural Marketing Service.)

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LARGE 1939 LAMB CROP BUT
SMALLER THAN LAST YEAR

A 1939 lamb crop about 1 percent smaller than the record crop of 1938 but larger than in any other year is reported by the Agricultural Marketing Service. This year's crop, estimated at 32,876,000 head, was about 8 percent larger than the 1928-37 average and 4 percent larger than the 1934-38 average. The decrease from last year was the result of the smaller crop in the Western Sheep States, since the native lamb crop was a little larger this year than last. The percentage lamb crop in 1939 was smaller than in 1938 but the number of breeding ewes was larger in both the native and western areas. In the native States the increase in the number of ewes was large enough to more than offset the effects of the smaller percentage crop.

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FARM WAGE RATES to agricultural workers are reported by the Agricultural Marketing Service to have increased slightly less during the April-June quarter this year than is usual for the period. The July 1939 wage index was the lowest for the month in 3 years. At 126 percent of pre-war, the July 1 wage level was 5 points higher than on April 1 but 3 points lower than on July 1, 1938.

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APPROVALS FOR FREE CLASSIFICATION OF
1939 COTTON PASS LAST YEAR'S TOTAL

. By W. B. Lanham

Approval of more than 322 organized cotton improvement groups for free classification of 1939 cotton and market news services has been announced by the Agricultural Marketing Service. This number, reported in early August, is 10 more than the total of groups approved for the 1938-39 season, the first in which the services were available.

Both cotton quality improvement and better marketing conditions are objectives of "the Smith-Doxey Act" of April 13, 1937. This amendment to the Cotton Grade and Staple Statistics Act directs the Secretary of Agriculture to furnish growers who organize to improve their cotton the following services: (1) Free classification of cotton produced by each organized group, (2) Timely information on the market supply, demand, location, condition, and market prices of cotton.

To be eligible for services furnished under the Act it is necessary for each organized group of farmers to designate a local representative and an alternate representative to act for its members. The duties and responsibilities of these designated representatives are considerable and it is essential that they understand what is required of them if the group is to function with maximum efficiency. The representatives need not be producers or members of the group.

One of the first duties of a group representative is to make certain that all members are fully acquainted with the services available and the most effective means of using them. His duties include the drawing and shipping of samples and the posting of market news. He is responsible for informing each member where his cotton is to be ginned and, where certain days have been designated for ginning eligible cotton, on which days it is to be ginned.

To encourage proper picking and handling of cotton, group representatives find it helpful to show members the difference between samples taken from bales of carefully picked cotton and bales carelessly or improperly harvested. A comparison of prices paid for cotton similar to these samples further emphasizes the importance of good harvesting. It is also pointed out that if a bale contains two or more qualities it is classified according to the lowest of these.

Preparation affects the grade and market value of lint. Here the group representative assists by informing farmers and ginners of cotton reduced in grade because of rough preparation, gin cutting or for any other reason. Investigation and proper steps to correct these causes are encouraged.

Classing The Samples

Each sample of cotton is classed for both grade and staple length and if a sample is not representative of the bale with which it is iden-

tified, classification will be misleading. The class can be no better than the sample will permit and inaccurate sampling will result in worthless classification. Complete instructions are supplied to the representative of each group for sampling and for handling all samples.

Notification of the grade and staple of his sample, according to the official United States Cotton Standards, is sent direct to the grower. Classification sheets, which list all of the samples and the grade and staple given each are supplied to group representatives. These may be consulted in cases where growers fail to receive or misplace their classification cards. Classification sheets may also be used to make comparisons of cotton produced from one season to another. They reveal any progress that has been made by the group in improving quality and the degree of uniformity in the staple of cotton produced by the groups. They provide a record of all cotton showing rough preparation or gin cutting and afford a means of checking on the picking and handling by individual growers and on the quality of the ginning services.

Cotton Market News Provided

Farmers need all price information which may have a bearing on prices in local markets. This information includes premiums and discounts for grade and staple. Approximate prices of the grades and staple lengths members have to sell may be figured by using cotton futures prices, central market quotations, and available mill and local price quotations. Prices arrived at in this manner are in the nature of appraisals and do not necessarily mean that a member will receive exactly that price in every instance. In any event, in the absence of some special arrangement for the sale of the group's cotton, each member must find a buyer and make the sale of his own cotton. In doing this, however, he has the advantage of the price information and grade and staple classification supplied to him through his group representative.

Price Quotations Are Bargaining Guides

Price quotations for both local and central markets are approximations of actual values and are in the nature of averages for each grade and staple. There is a range within each grade, and cotton on the high side of the grade may sell for somewhat more than cotton of the low side of the same grade. The character of the cotton also affects values, and the use to which buyers intend to put cotton of a particular character may result in higher prices for some bales than is paid for other bales of the same grade and staple length. Character does not normally vary greatly within a single one-variety community. In final analysis, however, price quotations are guides for bargaining and are not iron-clad measures of values which can be obtained under all circumstances.

Ordinarily, local buyers base their offers to buy upon futures prices. Upward and downward swings in day-to-day offers generally reflect changes in futures prices. For this reason, it is important that group representatives and members understand and keep posted on current cotton futures prices.

The Agricultural Marketing Service has arranged to furnish cotton futures prices to radio stations over most of the Cotton Belt. These prices are broadcast at regular intervals throughout the day in those areas where cotton farmers are sufficiently interested to justify them. The larger daily newspapers in all cotton-growing States publish cotton futures prices daily. Many groups are posting the price information obtained from these various sources on bulletin boards at gins or at other points where they are easily accessible to growers and buyers.

(Editor's Note: Mr. Lanham is in charge of the cotton quality statistics and classing work of the Agricultural Marketing Service.)

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COMMERCIAL HATCHERIES SHOW LARGE CAPACITY INCREASE

Commercial hatcheries in the United States have a combined capacity sufficient to turn out 100,000,000 baby chicks weekly according to a preliminary survey of the industry by the Poultry Section of the Division of Marketing and Marketing Agreements and the Agricultural Marketing Service. The survey indicates 11,559 commercial hatcheries with a combined incubator capacity of 406,945,000 eggs. Approximately 300 additional hatcheries have not yet been heard from, but will be included in the final report. A similar survey in 1934 showed a total of 11,405 hatcheries had combined incubator capacity of 276,287,000 eggs. In 4 year's time, therefore, there has been an increase of more than 130,000,000 eggs in combined incubator capacity. This is a capacity increase of 47.3 percent for the 4 years. These figures do not include hatcheries operated by individual producers who hatch for their own use.

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MARKETING EGGS BY GRADE HELD STEP TO BETTER QUALITY

The Illinois State Extension Service reports that poultry producers who profit most from egg sales in the future will be those who keep abreast of the present trend toward marketing eggs by grade. It recommends the production of clean, infertile eggs, gathering eggs at least twice a day, keeping them in a cool, moderately humid place, cooling before placing in cases, and sorting according to size, shape and shell color. The extension workers urge farmers to market eggs at least twice a week, protect them from heat and sun while hauling to market, and sell to dealers who are properly equipped to handle eggs.

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The recently enacted Missouri Apple Labeling Law requires grade, variety and minimum size labeling of all apples sold, offered or exposed for sale in Missouri, regardless of State of origin. It applies to all apples whether offered in retail or wholesale lots, in bulk or in closed packages.

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IOWA-OKLAHOMA AREAS ANNOUNCED
FOR FOOD STAMP PLAN PROGRAM

Selection of Des Moines, Iowa, and Pottawatomie County, Oklahoma, including the City of Shawnee, as the fifth and sixth areas in which the food order stamp plan for distributing surpluses through normal channels of trade will be tried out, has been announced by the Secretary of Agriculture. In Pottawotamie county, the City of Shawnee will be the first community in which tests will be made of extending the benefits of the stamp plan program to privately employed, low income families not receiving other forms of public aid.

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RECORD HIGH PRODUCTION OF
DRIED EGG PRODUCTS IN 1938

Record production of dried egg products is reported by the Division of Marketing and Marketing Agreements for the 1938 season. It reports a total of 6,001,590 pounds for the year of which 4,313,209 pounds were dried yolk, 1,509,647 were dried albumen, and 178,734 pounds dried whole egg. Prior to 1938, 1934 was the peak year with a production of 4,300,000 pounds. In past years, China has been the chief source of dried egg products used in the United States. Unsettled conditions in that country are said to account for the extremely low level of imports of the Chinese product during the past several months.

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REPORTS ON "CUTTING
BUTTERFAT MARKETING COSTS"

The July issue of the Iowa Farm Economist, published by the Iowa State College, carries two articles of particular interest in the marketing field. "Cutting Butterfat Marketing Costs" shows how butterfat marketing facilities overlap. Butler County farmers, it states, could add about 2 cents a pound to their cream checks, or a total of around \$50,000 a year, by cutting out duplication of facilities for collecting cream and manufacturing it into butter. Reference is made to the "slowness" in adjustment to a "good roads economy". Another article, "Farm Cooperatives in Iowa", is the first in a series and shows the scope of farm cooperative business in that State.

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MISSOURI'S NEW DAIRY LAW provides for the licensing of dairy products manufacturing plants within the State. It provides for the repeal of 27 sections and enacts 35 new sections to previously enacted dairy legislation. The new law continues in effect the articles dealing with filled milk, cheese labeling and false testimony, oleomargarine and renovated butter, milk cans, and tuberculosis herd testing. The amended law becomes effective September 22, 1939.

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SURPLUS COMMODITIES CORPORATION
REPORTS PURCHASES FOR 1938-39

Preliminary reports of the Federal Surplus Commodities Corporation show that during the fiscal year ending June 30, 1939, the Corporation purchased nearly 1,700,000,000 pounds of surplus agricultural commodities at a cost of approximately \$66,000,000 including freight and handling charges. These commodities, with the exception of 15,500,000 pounds of cotton and cotton ticking, were foodstuffs, and have been donated to welfare agencies in 48 States, the District of Columbia, Puerto Rico, and the Virgin Islands. The Corporation has recently been authorized to buy commercial fresh vegetables during certain periods of surplus production in producing areas near consuming centers. These purchases are to be primarily in the farmers' markets as a means of assisting vegetable growers engaged in organized efforts to improve marketing conditions for their products.

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CALIFORNIA INSPECTORS REJECT
GRAPES OF LOW SUGAR CONTENT

California State and County inspectors, in the first seven days of their activities this season, rejected from shipment more than 6,000 lugs of Kern County Thompson Seedless and Ribier grapes because of immaturity. As a result of the rejections, many growers who had started shipping immature grapes stopped harvesting for several days to permit their grapes to become sweeter. The State Department of Agriculture reports that if sour grapes are purchased early in the season, buyers of this unpalatable fruit decline to buy more grapes. As evidence of the benefits to growers from enforcement of the laws governing maturity of grapes shipped they point to prices paid for the sweeter grapes shipped this season compared with prices in other recent years.

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FARM PRODUCTS PRICES
UNCHANGED FROM MID-JUNE

The average of prices received by farmers in mid-July is reported by the Agricultural Marketing Service as unchanged from a month earlier. Sharp declines occurred in prices received for grains and fruits, but these were offset by price increases for chickens, eggs, milk and potatoes. The index of all prices received on July 15 stood at 89 percent of pre-war, the same as in mid-June. The index of prices paid by farmers declined 1 point from June 15 to July 15. This was not enough to change the ratio of prices received to prices paid which remained at 74 percent of pre-war. A year ago this ratio was 77 percent.

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Announcement has been made by the Agricultural Adjustment Administration of plans for the purchase and distribution of winter legume seeds in designated Southern and Southeastern areas in lieu of payments under the 1939 Agricultural Conservation Program.

RECENTLY ISSUED
MARKETING REPORTS

The following processed reports were issued during the past month by the Agricultural Marketing Service:

Regulations and Instructions Governing Origin Verification on Alfalfa and Red Clover Seed.
Marketing Northwestern Fresh Prunes -- Summary of the 1938 Season.
Rules and Regulations to Govern the Inspection, Sampling, and Certification of Cottonseed Sold or Offered for Sale for Crushing Purposes. (As amended July 18, 1939)
Grain Stocks on Farms -- July 1, 1926-1937 (By States)
Tobacco Inspection, Market News, and Demonstration Services (Flue-cured)
Preparation of Flue-Cured Tobacco for Market
Market News and Production Reports on Poultry Products
Wholesale Market Prices at Los Angeles -- Fruits and Vegetables - 1938
Production Costs and Returns
Variations in the Composition and Grade of Cottonseed Produced in the States of Arkansas, Louisiana, Mississippi and Tennessee, Seasons of 1934-35 to 1937-38
Carlot Unloads of Certain Fruits and Vegetables in 66 Cities and Imports in 4 Cities for Canada -- Calendar Year 1938.

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LARGER PACKS AND INCREASED CONSUMPTION OF CANNED FRUITS have been major trends in the industry in the last 10 years the Department of Commerce reports. Last year's exports of canned fruits totaled about 7,800,000 cases -- an all-time record despite growing competition from Canada and Japan. United States exports from 1931 to 1938 increased, with an average gain of about 800,000 cases for the 1935-38 period compared with 1931-34.

RETAIL SALES OF FIELD SEEDS during the past spring are reported by the Agricultural Marketing Service as about 15 percent larger than in the spring season of 1938. Of the 17 kinds of seeds included in the report, sales of 15 were larger this year than last. Sales of only one (orchard grass) were smaller, and sales of lawngrass mixtures were the same as last year.

THE MISSOURI STATE EGG LAW requires that each case of eggs must have within it a legally correct candling certificate. The Missouri Commissioner of Agriculture points out that certificates are legally needed the year around but "are trebly necessary" during the months of hot weather.

In late July Secretary Wallace directed the Dairy Products Marketing Association to buy butter on the merchantile exchanges. This is the first purchase authorization under the recently announced loan program for the 1939-40 butter storage season under which a Commodity Credit Corporation loan of up to \$6,000,000 to the Association has been approved.

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